

# PRECONFERENCE ARBITRATION TRAINING

## An Economic Perspective on Wage-Setting in the Private and Public Sector

GranTree Inn, Bozeman, Montana  
**Wednesday, September 22, 2004**

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**Barry Bluestone** is the Stearns Trustee Professor of Political Economy and director of the Center for Urban and Regional Policy at Northeastern University in Boston, Massachusetts. Before assuming this new post, Dr. Bluestone spent twelve years at the University of Massachusetts at Boston as the Frank L. Boyden Professor of Political Economy and as a Senior Fellow at the University's John W. McCormack Institute of Public Affairs. He was the founding director of U.Mass.-Boston's Ph.D. Program in Public Policy. Before coming to U.Mass. in the Fall of 1986, he taught economics at Boston College for fifteen years and was director of the University's Social Welfare Research Institute. Dr. Bluestone was raised in Detroit, Michigan and attended the University of Michigan where he received his Ph.D. in 1974. As a political economist, Dr. Bluestone has written widely in the areas of income distribution, business and industrial policy, labor-management relations, higher education finance, and urban and regional economic development. He contributes regularly to academic, as well as popular journals, and is the author of nine books.

### Aspen Room – Location for Registration and Training Sessions

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|-------------------|----------------------|---|
| 9:00–9:30 a.m.    | Registration         |   |
| 9:30–10:45 a.m.   | <b>Session I:</b>    | Economic factors affecting Arbitrator decisions in pay rate determinations                |
| 10:45–11:00 a.m.  | Break                |   |
| 11:00–12:15 a.m.  | <b>Session II:</b>   | Economic factors affecting Arbitrator decisions in pay rate determinations (cont)         |
| 12:15– 1: 15 a.m. | Lunch                | (Provided)  |
| 1:15–2:30 p.m.    | <b>Session III:</b>  | Recognizing how an increasingly globalized, competitive environment affects these factors |
| 2:30–2:45 p.m.    | Break                |   |
| 2:45–4:00 p.m.    | <b>Session IV:</b>   | Determination of “ability to pay” and “equity” issues in the current economic context     |
| 4:00 p.m.         | Adjourn              |   |
| 4:30–5:30 p.m.    | MAA Business Meeting |   |

**Dr. Bluestone** will present issues of concern to advocates and neutrals involved in interest arbitration and fact-finding during training sessions that move from basic wage determination theory through a good discussion of how changing economic reality should affect how arbitrators make decisions. **Session I** will lay out the standard economist's view of how pay rates should be set in theory relying on the theory of human capital and competitive labor markets. Essentially, this session will look at what is now known as the neo-classical model of wage determination. In **Session II** he will look at elaborations on the standard model bringing into account such institutional factors as labor market discrimination, labor market regulation, and trade unions in the setting of actual pay rates in the U.S. In **Session III** he will look at the evolution of pay rate determination in light of increased international trade, deindustrialization, the introduction of new technology, and the existence or lack thereof of international labor rights and standards. Finally, using everything that has been explored in the first three sessions, **Session IV** will devote itself to exploring how growing domestic competition, the introduction of new technology, and the growth of international competition must (or should) be taken into account by arbitrators in pay determination cases.